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Date: July 8, 1997

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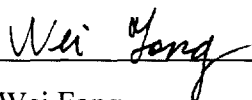
Federal Communications Commission  
Office of the Secretary, Room 222  
1919 M Street N.W.,  
Washington DC 20554  
U.S.A.

To whom it may concern,

Enclosed please find 1 original plus 4 copies of comments on rules and policies on foreign participation in the U.S. telecommunication market. IB Docket No. 97-142.

We look forward to hearing from you as to your decision on the issues.

Faithfully yours,



Wei Fong  
Vice President

Atty

In the Matter of

[IB Docket No. 97-142]

Comment on rules and policies on foreign participation in the U.S. telecommunications market. IB Docket No. 97-142

Comments of Wei Fong, Pacific Communications Services Co., LTD.,

20 Floor, 169, Jen-ai Road, Sec. 4, Taipei, 106, Taiwan.

July 3, 1997

I file these comments on July 3, 1997, in the FCC's rules and policies on foreign participation in the U.S. telecommunications market. IB Docket No. 97-142.

After the WTO Basic Telecom Agreement, countries representing over 95 percent of the world's telecommunications revenues will be open to competition. As a result, most foreign carriers, even they are in countries that are not yet WTO member, should have far less market power as a result of they would be subject to meaningful disciplines to prevent abuse of market power in the form of interconnection obligations and other competitive safeguards to which the world have committed.

Liberalization of the international service markets of WTO Member countries has increased the pressure on Taiwan to reform its basic telecom market and its accounting rate at an accelerating pace. The incentive of being allowed to participate in the U.S. market will also encourage the government of Taiwan to lift de jure and de facto barriers to U.S. investment.

The fundamental marketplace changes should allow FCC to lower foreign carrier entry barrier while still promoting vital public interest objectives. Adopting an open entry policy for foreign-affiliated carriers will introduce new sources of competition, which will produce lower prices and greater service choice and innovation for American consumers.

In addition, by making foreign carrier entry into the U.S. market easier, will also make it easier for both U.S. and foreign carriers to achieve global strategies that involve efficient and flexible routing of international traffic. Because the U.S. is the largest hub for international traffic, these strategies will not only benefit U.S. consumers, but will shape the dynamics of the global telecommunications market.

FCC can continue to exercise their authority to promote important public interest objectives by regulatory mechanisms, benchmark safeguards and stricter reporting requirements. We believe that a flexible set of tools that generally will apply after an authorization has been granted will best serve to promote free and fair competition in the U.S. international telecommunications market.

In the light of the new competitive environment, We propose now to consider all of these factors in reassessing FCC's current rules.

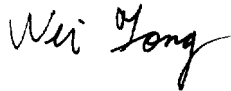
1. Allow 100% foreign direct investment in U.S. common carriers.
2. Waive the effective competitive opportunities analysis (ECO) as the basis for Section 214 application filed by foreign carriers to enter the U.S. international market.
3. Waive the equivalency analysis as the basis for authorizing all U.S. carriers to provide switched, basic services over facilities-based or resold private lines between the U.S. and other countries.
4. Waive the ECO test for future applications as part of FCC's public interest analysis under Section 310(b)(4) to allow foreign investment into U.S. wireless markets.

We believe that reducing these unnecessary regulations will have the beneficial effect of lowering carrier costs. They will also help minimize tacit coordination of prices and facilitate carriers' ability to make rapid, efficient responses to changes in demand and cost.

We also anticipate that reduced regulatory burdens will have a beneficial impact on consumers by allowing carriers to respond more rapidly to competitive pressures to lower prices and improve the quality of service.

Among the most important of these is the U.S. commitment of the Telecommunications Act of 1996 to ensure open and fair competition in the U.S. telecommunications market.

Submitted by:

A handwritten signature in black ink, appearing to read "Wei Fong", written in a cursive style.

Wei Fong  
20 Floor, 169, Jen-ai Road, Sec. 4,  
Taipei, 106, Taiwan.

July 3, 1997